

UNITED STATES DISTRICT COURT
District of Connecticut

UNITED STATES OF AMERICA

JUDGMENT IN A CRIMINAL CASE

vs.

CASE NO. 3:04CR266(CFD)

USM NO:

RONALD K. GARNETT

MICHAEL S. MCGARRY

Assistant United States Attorney

ANDREW P. GAILLARD

Defendant's Attorney

THE DEFENDANT: pled guilty to count 4 of the indictment.

Accordingly the defendant is adjudicated guilty of the following offense:

<u>Title & Section</u>	<u>Nature of Offense</u>	<u>Offense Concluded</u>	<u>Count</u>
18 U.S.C. Section 1341	Mail Fraud	February 2, 2000	4

FILED
2001 FEB - 9 P 12:32
DISTRICT COURT
HARTFORD, CT.

The following sentence is imposed pursuant to the Sentencing Reform Act of 1984.

IMPRISONMENTThe defendant is hereby committed to the custody of the United States Bureau of Prisons to be imprisoned for a total of **48** months.**SUPERVISED RELEASE**Upon release from imprisonment, the defendant shall be on supervised release for a total term of **3** years. The Mandatory and Standard Conditions of Supervised Release as attached, are imposed. In addition, the following Special Conditions are imposed:

1. The defendant shall cooperate with the Internal Revenue Service to pay all outstanding taxes, interest, and penalties. The defendant shall file lawful and timely tax returns and provide copies to the U. S. Probation Officer.
2. The defendant is prohibited from opening additional lines of credit or incurring new credit charges without approval of the U. S. Probation Officer, unless he is in compliance with the restitution payment schedule.
3. The defendant shall authorize release to the U. S. Probation Officer of any and all financial information/records, including state and federal income tax returns, by execution of a release of financial information form, or by any other appropriate means, as directed by the U. S. Probation Officer.

CRIMINAL MONETARY PENALTIES

The defendant must pay the total criminal monetary penalties under the schedule of payments as follows and as noted on the restitution order entered on this date.

Special Assessment: \$100.00

A separate Restitution Order shall issue.

It is further ordered that the defendant will notify the United States Attorney for this district within 30 days of any change of name, residence or mailing address until all restitution, and special assessments imposed by this judgment, are paid.


Counts 1- 3 and 5 - 12 are dismissed on the motion of the United States.

JUDICIAL RECOMMENDATIONS TO THE BUREAU OF PRISONS

The defendant serve his term of incarceration near Washington, D.C.

The defendant shall self surrender to the facility designated by the U. S. Bureau of Prisons or to the United States Marshal for the District of Connecticut on April 11, 2007.

February 2, 2007
Date of Imposition of Sentence



Christopher F. Droney
United States District Judge
Date: February 6, 2007

RETURN

I have executed this judgment as follows:

Defendant delivered on _____ to _____

a _____, with a certified copy of this judgment.

John F. Bardelli
United States Marshal

By _____
Deputy Marshal

**CERTIFIED AS A TRUE COPY
ON THIS DATE _____
Kevin F. Rowe, Clerk
BY: _____
Deputy Clerk**

CONDITIONS OF SUPERVISED RELEASE

In addition to the Standard Conditions listed below, the following indicated ☒ Mandatory Conditions are imposed:

MANDATORY CONDITIONS

- ☒ (1) The defendant shall not commit another federal, state or local offense;
- ☒ (2) The defendant shall not unlawfully possess a controlled substance;
- ☐ (3) The defendant who is convicted for a domestic violence crime as defined in 18 U.S.C. section 3561(b) for the first time shall attend a public, private, or private non-profit offender rehabilitation program that has been approved by the court, in consultation with a State Coalition Against Domestic Violence or other appropriate experts, if an approved program is available within a 50-mile radius of the legal residence of the defendant;
- ☐ (4) The defendant shall refrain from any unlawful use of a controlled substance and submit to one drug test within 15 days of release on supervised release and at least two periodic drug tests thereafter for use of a controlled substance;
- ☐ (5) If a fine is imposed and has not been paid upon release to supervised release, the defendant shall adhere to an installment schedule to pay that fine;
- ☒ (6) The defendant shall (A) make restitution in accordance with 18 U.S.C. sections 2248, 2259, 2264, 2327, 3663, 3663A, and 3664; and (B) pay the assessment imposed in accordance with 18 U.S.C. section 3013;
- ☐ (7) A defendant convicted of a sexual offense as described in 18 U.S.C. sections 4042(c)(4) shall report the address where the defendant will reside and any subsequent change of residence to the probation officer responsible for supervision, and shall register as a sex offender in any State where the person resides, is employed, carries on a vocation or is a student.
- ☒ (8) The defendant shall cooperate in the collection of a DNA sample from the defendant.

While on supervised release, the defendant shall also comply with all of the following Standard Conditions:

STANDARD CONDITIONS

- (1) The defendant shall not leave the judicial district or other specified geographic area without the permission of the court or probation officer;
- (2) The defendant shall report to the probation officer as directed by the court or probation officer and shall submit a truthful and complete written report within the first five days of each month;
- (3) The defendant shall answer truthfully all inquiries by the probation officer and follow the instructions of the probation officer;
- (4) The defendant shall support the defendant's dependents and meet other family responsibilities (including, but not limited to, complying with the terms of any court order or administrative process pursuant to the law of a state, the District of Columbia, or any other possession or territory of the United States requiring payments by the defendant for the support and maintenance of any child or of a child and the parent with whom the child is living);
- (5) The defendant shall work regularly at a lawful occupation unless excused by the probation officer for schooling, training, or other acceptable reasons;
- (6) The defendant shall notify the probation officer at least ten days prior to any change of residence or employment;
- (7) The defendant shall refrain from excessive use of alcohol and shall not purchase, possess, use, distribute, or administer any controlled substance, or any paraphernalia related to any controlled substance, except as prescribed by a physician;
- (8) The defendant shall not frequent places where controlled substances are illegally sold, used, distributed, or administered, or other places specified by the court;
- (9) The defendant shall not associate with any persons engaged in criminal activity, and shall not associate with any person convicted of a felony unless granted permission to do so by the probation officer;
- (10) The defendant shall permit a probation officer to visit the defendant at any time at home or elsewhere and shall permit confiscation of any contraband observed in plain view by the probation officer;
- (11) The defendant shall notify the probation officer within seventy-two hours of being arrested or questioned by a law enforcement officer;
- (12) The defendant shall not enter into any agreement to act as an informer or a special agent of a law enforcement agency without the permission of the court;
- (13) The defendant shall pay the special assessment imposed or adhere to a court-ordered installment schedule for the payment of the special assessment;
- (14) The defendant shall notify the probation officer of any material change in the defendant's economic circumstances that might affect the defendant's ability to pay any unpaid amount of restitution, fines, or special assessments.

The defendant shall report to the Probation Office in the district to which the defendant is released within 72 hours of release from the custody of the U.S. Bureau of Prisons. Upon a finding of a violation of supervised release, I understand that the court may (1) revoke supervision and impose a term of imprisonment, (2) extend the term of supervision, and/or (3) modify the conditions of supervision.

These conditions have been read to me. I fully understand the conditions and have been provided a copy of them.

(Signed) _____
Defendant

Date

U.S. Probation Officer/Designated Witness

Date



United States Attorney's Office District of Connecticut Press Release

**February 2,
2007**

MAN WHO SCAMMED MORE THAN \$3.8 MILLION FROM INVESTORS IS SENTENCED TO FOUR YEARS IN FEDERAL PRISON

Kevin J. O'Connor, United States Attorney for the District of Connecticut, announced that RONALD K. GARNETT, also known as "Michael Montgomery," age 39, formerly of California and currently residing in Vienna, Virginia, was sentenced today by United States District Judge Christopher F. Droney in Hartford to 48 months of imprisonment, followed by three years of supervised release. On December 20, 2005, GARNETT pleaded guilty to one count of an Indictment charging him with mail fraud related to a securities investment scam that he ran between approximately January 1998 and August 2000.

According to documents filed with the Court and statements made in court, GARNETT, using the alias "Michael Montgomery," falsely represented to his victims that he worked for *Heartland Asset Management*, an investment firm, and that monies sent to him would be invested in private investment funds that operated like mutual funds. These so-called "Heartland Funds" were represented to be targeted investment funds that focused on various business areas, including the travel sector, biomedical sector, and the computer and high-tech sector.

GARNETT told investors that these funds had earned 68 percent to 71 percent over a three-year span, and that some funds had achieved returns of more than 100 percent over a one year time span. These representations were not true. After receiving the investors' funds, GARNETT provided investors with bogus monthly account statements that falsely indicated that their investments had generated significant earnings. GARNETT did not place investors' money into investments as represented, but instead diverted investors' funds for his own personal use and benefit, including paying business expenses and making payments to investors in a Ponzi Scheme-type fashion.

Through his lies and deception, GARNETT defrauded approximately 50 investors out of more than \$3.8 million.

"Instead of investing his victims' money, this defendant chose to spend it on

unnecessary and lavish personal and business expenses, including a \$1600 pair of cowboy boots,” U.S. Attorney O’Connor stated. “He then repeatedly deceived his investors into believing that their money was actually invested and performing well. This scheme defrauded many individuals, robbing several of their retirement savings. Federal law enforcement in Connecticut is committed to protecting investors by vigorously investigating and prosecuting corrupt investment fund managers.”

Judge Droney has scheduled a hearing for March 14 in order to aid the Court in determining the restitution that GARNETT will be required to pay to his victims. Seven victims spoke during today’s sentencing proceeding.

This case was investigated by the Federal Bureau of Investigation and is being prosecuted by Assistant United States Attorney Michael S. McGarry of the U.S. Attorney’s Office Securities and Investor Fraud Unit.